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SUBJECT: REPORT OF THE SECOND GNEP STEERING GROUP MEETING

REFS:

- A) UNVIE Vienna 000647
- B) STATE 168362
- C) UNVIE VIENNA 00183
- D) STATE 7716

11. (U) SUMMARY: The Second Steering Group Meeting of the Global Nuclear Energy Partnership (GNEP) was held in Jordan on May 14-15, 2008, hosted by the Jordan Atomic Energy Commission and chaired by the United States. The meeting was attended by approximately 105 representatives of 28 countries (19 Partners and 9 candidate Partners) and three observer organizations, including the International Atomic Energy Agency (see list para 11). GNEP Partners agreed ad referendum to a list of 25 new countries to invite to join GNEP (see para 7), received reports from and agreed on next steps for the two working groups on infrastructure development and reliable fuel services, and agreed to support a Japanese proposal that the Steering Group develop a joint statement to be issued by the Executive Committee at the next ministerial meeting. The Steering Group also discussed the draft terms of reference for a working group on grid appropriate reactors and the possible establishment of a nonproliferation working group, and discussed mechanisms for engaging with outside groups including industry and academia. Based on the progress being made by the working groups, the strengthened interactions at the Steering Group meeting, increased engagement by several participants and the new concepts discussed during the meeting, GNEP appears to have taken an important step in firmly establishing itself as a viable, dynamic and relevant global partnership. END SUMMARY

12. (U) Opening Remarks. Jordan's Prime Minister Nader Dahabi opened the meeting and expressed strong support for GNEP. GNEP Steering Group Chairman Ed McGinnis and Jordan Atomic Energy Commission Chairman Khaled Toukan also provided opening remarks. Ambassadors to Jordan from Belgium, Bulgaria, Canada, China, Egypt, France, Japan, South Korea, Romania, Russian Federation, South Africa, the United Kingdom and the United States attended the opening session. Several news agencies also covered the opening statements. All major Jordan-based print and broadcast outlets reported on Prime Minister Dahabi's remarks. In addition, the pan-Arab satellite television channel Al-Jazeera ran a short, straightforward report on the opening, including statements by Deputy Assistant Secretary of Energy McGinnis on Jordan's role as host of the meeting and the mission of GNEP. News coverage following the meeting was positive.

13. (U) New Partners. The first session began with introductions, statements by the Steering Group vice chairs and a statement by the United Kingdom, which was welcomed as a new partner, having joined GNEP since the last Steering Group meeting. The UK stated regarding its GNEP membership: "We believe that by sharing good practice there are real potentials for streamlining the methods for introducing nuclear power in a safe, secure and economic way, and seeking the best solutions for the management of nuclear waste." Then the U.S. Chair presented a summary of GNEP activities to date and the meeting objectives. The December 2007 Steering Group meeting minutes were formally adopted.

14. (SBU) The Infrastructure Development Working Group (IDWG). The IDWG presented the results of its first meeting (REF C) and its planned next steps. It identified the principal infrastructure development needs as human resource development, regulatory structures, financial mechanisms and business planning. Feasibility studies were recognized as a specific type of partnership resource that can be provided both bilaterally and multilaterally. The United States reported on its initial efforts in conducting a feasibility study for nuclear power in Jordan and indicated readiness to consider conducting one or two more feasibility studies this year. The IDWG recommended involving industry as part of its activities. This was also recognized as an issue for the Reliable Nuclear Fuel Services Working Group. As a result, the Steering Group asked a drafting committee of partners to develop a guidance document on how GNEP should approach including outside groups, including academia as well as industry, in its activities. The draft that was presented to the Steering Group the next day was recognized as a very good basis for external engagement and it will be distributed to the Steering Group for approval with a view to presenting it to the GNEP Executive Committee for approval at the next Executive Committee meeting. The

representative from the Generation IV International Forum offered the Steering Group assistance on the legal aspects of involving industry, such as intellectual property considerations. The IDWG presented its idea for an online resource library that would list resources such as education and training programs, assessment tools, conference and event information, model legislation, best practice references, etc. The IDWG was recognized as having identified important, specific activities that effectively tap the unique capabilities offered by the partnership. Partner and observer countries took an active role in the discussion of the IDWG's next steps and reiterated the great need for IDWG efforts. Countries expressed the importance of human resource development, government institution building/strengthening, and sharing experiences. The IAEA representative indicated a need for support in the area of assessments and that multilateral assessments could be beneficial to bring a wider range of viewpoints and experience to the assessment. He also stated the value of GNEP in bringing infrastructure development issues to the ministerial level.

15. (SBU) The Reliable Nuclear Fuel Services Working Group (RNFSWG). The RNFSWG presented a summary report of its first meeting and initial activities (REF D). During the first meeting, the RNFSWG discussed front-end fuel cycle issues and concluded that the markets have performed reliably and that steps to improve reliability should emphasize market neutrality. Working group members agree that the lead time for installing new front-end fuel cycle production capacity would likely be shorter than the time required to build new nuclear power plants, and thus fuel would be available to meet growing demand. In addition, the RNFSWG agreed on a survey for GNEP partners to collect information from Partners on existing laws, regulations and policies for fuel cycle elements and features. Above all, each country would provide its views on how "reliable fuels services" should be defined. The survey was designed to follow the key GNEP principle of inclusiveness by seeking input from countries with all stages of involvement in the nuclear fuel cycle (full fuel cycle, uranium suppliers, and nuclear power plants but no fuel cycle facilities), as well as from countries contemplating nuclear power. Results of the survey will be analyzed to identify common practices and gaps needed to be addressed for moving towards comprehensive reliable fuel service arrangements as well as to develop a common view on reliable fuel services and next steps for the working group. One partner expressed interest in expanding the survey beyond GNEP partners to collect more data. The Steering Group decided that expanding the survey would not be consistent with GNEP operating procedures and recommended the RNFSWG consider relevant information from other sources, including the IAEA's efforts under INPRO to identify Common User Considerations, in developing its analysis. However, the Steering Group recognized this initial step as very important to lay the foundation for addressing what is a challenging area. The Steering Group also encouraged the RNFSWG to look at regional fuel center approaches. Like the IDWG, the RNFSWG has considered operating procedures for industry participation. The RNFSWG initially agreed to hold its next meeting during the margins of the IAEA General Conference in late September 2008. The Steering Group responded by recommending that the RNFSWG hold the meeting a few weeks earlier to allow sufficient time to prepare a status report in advance of the next Steering Group meeting.

16. (SBU) Grid Appropriate Reactors Working Group (GARWG). The United States proposed the creation of the GARWG with specific Terms of Reference to define its objectives, scope, activities and next steps.

A number of partners expressed support for establishment of the working group, but others asked that the Terms of Reference be revised to incorporate comments offered by the International Atomic Energy Agency (IAEA) to prevent duplication of efforts. It was agreed that, once revised, the Steering Group Chair will distribute the new Terms of Reference to the Steering Group members for final consideration as a working group to be established by the Executive Committee at the next GNEP ministerial-level meeting.

17. (SBU) New Invitees. The Steering Group agreed by consensus to invite 23 countries and one international organization, the Gulf Cooperation Council, to join GNEP this year. The countries are: Algeria, Armenia, Bahrain, Bangladesh, Cameroon, Croatia, Estonia, Georgia, Greece, Indonesia, Kuwait, Latvia, Malaysia, Nigeria, Philippines, Saudi Arabia, Tanzania, Thailand, Tunisia, United Arab Emirates (UAE), Uruguay, Vietnam and Yemen. Invitations will be sent to the countries to attend the next GNEP ministerial meeting in

October. It was agreed that two of those countries, Saudi Arabia and Bahrain, would be invited as observers until they have comprehensive safeguards agreements in force with the IAEA. Partners agreed ad referendum to invite two additional countries (Qatar and Oman) proposed during the Steering Group meeting, upon approval of two partner countries that requested additional time to have their governments review the proposal. By the end of May, the two countries requesting extra time expressed approval for inviting Qatar and Oman to join GNEP. Qatar will be invited only as an observer until it has a comprehensive safeguards agreement in force. China again blocked consensus on inviting the Nuclear Energy Agency as an observer organization. Comment: It was understood that China's position was political, based on Taiwan's role either in the NEA or in its parent organization, the OECD. End Comment.

¶18. (SBU) Next GNEP Ministerial Meeting. France announced it would host the next GNEP Executive Committee Meeting in Paris on October 1, ¶2008. There were no objections from any Steering Group members. France will look into whether the facility would also be available the day before (September 30) to hold a brief Steering Group meeting. As the chair of the next Executive Committee Meeting, France will send invitation letters to the GNEP partners, candidate partners and observers on behalf of the GNEP partners.

¶19. (SBU) GNEP Ministerial Statement. Japan proposed a joint statement, "Global Nuclear Energy Partnership Joint Statement on the Peaceful Uses of Nuclear Energy as a Measure against Global Warming," that could be made by the GNEP Executive Committee after its October 1 meeting. There was consensus to issue a statement, though it was agreed to expand the statement to reflect the progress made by GNEP since the last Executive Committee Meeting in September 2007 and the partnership's next steps. It was also agreed that the Steering Group chair would harmonize comments and distribute the joint statement to the Steering Group for final consideration.

¶10. (SBU) Nonproliferation Working Group. Canada proposed establishing a nonproliferation working group (NPWG) to address the objective of reducing proliferation risk in the expansion of nuclear energy. Australia seconded this proposal, but France and Russia argued that nonproliferation issues could be addressed in the context of the three existing and proposed working groups. Note: Australia, which had initially proposed the NPWG, did not otherwise participate in the meeting pending a decision by the Rudd government on whether to continue its participation in GNEP, and indicated that the establishment of a NPWG could be an important factor in that decision. End Note.

¶11. (SBU) Participants. The following countries participated as GNEP Partners: Australia, Bulgaria, Canada, China, France, Ghana, Hungary, Italy, Japan, Jordan, Republic of Korea, Lithuania, Poland, Romania, Russian Federation, Slovenia, Ukraine, and the United States. The following countries participated as Observers and Candidate Partners: Argentina, Belgium, Egypt, Germany, Mexico, Netherlands, Slovak Republic, Spain and South Africa. The following intergovernmental organizations participated as Observers: Euratom, the Generation IV International Forum (GIF) and the IAEA.
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